

VZCZCXRO2846
OO RUEHDBU
DE RUEHMO #1611/01 1700543
ZNY CCCCC ZZH
O 190543Z JUN 09 ZFF4
FM AMEMBASSY MOSCOW
TO RHMFIS/DEPT OF ENERGY WASHINGTON DC IMMEDIATE
RUEHC/SECSTATE WASHDC IMMEDIATE 3880
INFO RUEHDX/MOSCOW POLITICAL COLLECTIVE IMMEDIATE
RUEAIIA/CIA WASHDC IMMEDIATE
RUEKJCS/JOINT STAFF WASHDC IMMEDIATE
RHEHNSC/NSC WASHDC IMMEDIATE
RUEKJCS/SECDEF WASHDC IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 04 MOSCOW 001611

SIPDIS

DEPARTMENT ALSO FOR EUR, T, EUR/RUS, AND EUR/PRA
DOE FOR S-1: SCHU
DOE FOR S-2: DPONEMAN/ACOHN
DOE FOR NA-20: KBAKER/SBLACK/HLOONEY
DOE FOR NA-21: ABIENIAWSKI/KSHEELY
DOE FOR NA-24: JWHITNEY
DOE FOR NA-25: DHUIZENGA/JGERRARD/KVOGLER
DOE FOR NA-26: KBROMBERG/GLUNSFORD

E.O. 12958: DECL: 06/16/2019

TAGS: [PREL](#) [RS](#) [PARM](#) [ENRG](#)

SUBJECT: DOE DEPUTY SECRETARY PONEMAN'S MEETING WITH
RUSSIAN MFA DEPUTY FOREIGN MINISTER RYABKOV ON
NONPROLIFERATION SUMMIT DELIVERABLES

Classified By: Ambassador John R. Beyrle. Reasons 1.4(b), (c) and (d)

11. (C) Summary. DOE Deputy Secretary Daniel Poneman met with Russian Federation Deputy Foreign Minister Sergey Ryabkov on June 10, 2009 in Moscow to discuss nonproliferation Presidential Summit deliverables, including the Joint Statement on Nuclear Security, the Protocol to amend the Plutonium Management and Disposition Agreement (PMDA Protocol), and the Material Consolidation and Conversion Agreement (MCC). Poneman and Ryabkov agreed the Joint Statement was on "sound footing" and tasked their experts to work further. Ryabkov indicated that there were unresolved financial and technical problems with the PMDA Protocol and stressed that the situation had changed since PMDA was signed. That said, he noted the conversation had been helpful and MFA would take another look at the PMDA Protocol. On MCC, Ryabkov was most pessimistic, noting there were huge "conceptual issues." He added that it "could hardly be imagined" that the overall purpose of the MCC was for anything other than to counter risks emanating from Russian territory, and without having a purpose which "fits into the current political environment here," he stressed, it would be "difficult for us to develop a text." Poneman explained the main principles of MCC: that nuclear materials were safer in fewer sites and converted to less sensitive forms, which is not a U.S. or Russian issue, but inherent in the nature of nuclear materials; that MCC could be expressed in a form that is symmetrical; and that the U.S. and Russia could partner in helping third countries. Poneman offered to try to make the Agreement as symmetrical as possible, and to deliver a revised text as soon as possible. End Summary.

12. (C) DOE Deputy Secretary Daniel Poneman told Russian Deputy Foreign Minister Sergey Ryabkov on June 10 that the U.S. hoped to reach agreement on practical joint non-proliferation efforts which would set the basis for work between the two countries in the future. Given that the U.S. and Russia had the vast majority of nuclear weapons, we had a mutual responsibility and opportunity to work together on important issues. These efforts were not intended as "favors" to the other country, but were in each of our respective mutual self-interests. Poneman stressed that he had been asked by the National Security Council to travel to Russia, and noted that if we could reach agreement on the Joint Statement on Nuclear Security, Protocol to amend the

Plutonium Management and Disposition Agreement (PMDA Protocol), and Material Consolidation and Conversion Agreement (MCC), the U.S. would be prepared to re-submit the "123" Agreement on Peaceful Uses of Atomic Energy to the U.S. Congress for ratification. He added that it was important for the U.S. and Russia to have concrete agreements with real content; to partner together, not in isolation; and to start now to make the 2010 Non-Proliferation Treaty (NPT) Review Conference successful.

13. (C) Ryabkov responded that U.S.-Russian cooperation on non-proliferation issues in the past had been "unparalleled" and had a record of an "almost problem-free relationship," and Moscow believed there was a "great future" in continuing the cooperation. He pointed to the excellent joint work between the U.S. and Russia on highly enriched uranium (HEU) fuel repatriation from third countries to Russia. He explained that Russia was also interested in attaining practical results for the visit of the two Presidents in July, which would show the rest of the world that the U.S. and Russia did not just talk, but achieved palpable results. But, he noted, there were a number of "considerably difficult issues before us" and that the Russian position on these difficult issues was "well-known."

A "Broader Context"

14. (C) Ryabkov stressed that the three non-proliferation issues Poneman raised (Joint Statement, PMDA Protocol, MCC

MOSCOW 00001611 002 OF 004

Agreement) had to be considered in the "broader, global, political context," and not "overshadow everything else." He stressed that they were not the only items for the Presidential Summit, noting the efforts to establish an intergovernmental umbrella structure, reach agreement on lethal transit for Afghanistan ("we are deadly serious about reaching an agreement"), make further progress on WTO, and negotiate a START follow-on accord, while addressing the relationship between defensive and offensive weapons.

15. (C) Ryabkov said that Russia's cooperation was important not just for the U.S., but to demonstrate U.S. and Russian joint leadership to impress other countries who might be opposed to or reluctant to engage in non-proliferation efforts. He commented that he had been "embarrassed" that the French had stated their opposition to a world free from nuclear weapons, and this showed why it was so important to move forward. He stressed that the P5 should discuss what needed to be done to ensure that the 2010 NPT Review Conference did not fail, as that would be a huge setback.

Joint Statement on Nuclear Security

16. (C) Poneman said the Joint Statement on Nuclear Security was close to agreement; U.S. experts had provided input based on the revisions Russian experts had suggested. Agreeing that the Statement seemed to be on a "sound footing," Ryabkov concurred with Poneman's suggestion that the experts meet to work on the text further. He said he thought it would be possible to conclude the Statement, which should be "substantive, shaped in the right way and send the right message." (Note: Experts met later that day at MFA to discuss the Joint Statement. The remaining substantive issues are related to language on the PMDA Protocol, MCC Agreement, research reactor conversion in the U.S. and Russia, and the 123 Agreement. The ball is now in MFA's court to provide comments to the updated text. End Note).

PMDA Protocol

17. (C) Poneman noted his understanding that there were no problems within the "four corners" of the PMDA Protocol based on conversations with Ambassador Kislyak, Under Secretary Burns, and Rosatom interlocutors. However, he understood there was an issue on the Russian side related to funding. He added that there was clear language in the PMDA stating that agreement was "subject to the availability of funds," and added that in his view and that of U.S. experts, this was not a fatal impediment as a legal matter.

18. (C) Ryabkov said he could not confirm whether the text of the PMDA Protocol was fine "within its four corners," noting that he believed there were technical problems related to fuel development and the balance between the different types of isotopes, which would have to be resolved before the PMDA Protocol could be completed. He also acknowledged that in the broader context, there was an issue of financing that had been raised by the Ministry of Finance. Ryabkov stressed that while there had been developments in technologies and approaches over the years, the economic situation today was different from when the Agreement was signed nine years ago. But his main point was that the political situation had changed since the PMD Agreement was signed. Likening it to the Joint Data Exchange Center (JDEC) situation, Ryabkov said that when the PMDA was signed, it had been aimed at a particular effort, which may still be relevant, but that it needed to be re-evaluated to determine the impact on Russia, especially given "changing moods in the State Duma on such issues, especially nuclear security and fissile material." He acknowledged that the overall objective of the PMDA was understandable, and that it and the PMDA Protocol added to the political sense that the U.S. and Russia were acting in

MOSCOW 00001611 003 OF 004

accordance with their obligations under the NPT Treaty. He promised that these issues would be taken into account. Ryabkov stressed, however, that the PMDA Protocol needed a "further look," but noted that the discussion had been helpful.

19. (C) Poneman agreed that the situation had changed fundamentally since the PMDA was originally signed. He noted that initially both countries had been planning to burn MOX fuel in thermal reactors. Later, the programs had been decoupled, and the Russian side was pursuing fast reactors while the U.S. side was continuing to pursue use of MOX fuel in thermal reactors. Poneman said that the U.S. program had been funded originally for reasons of symmetry, but that, after the decoupling of the US MOX and Russian fast reactor programs, and that the U.S. program was proceeding and could continue even if the Russians decided to delay funding their program. Poneman emphasized that competing budget demands have now put the \$400 million offered by the USG under pressure, and that without concluding the PMDA Protocol by the summit, those funds could be directed to other priorities. He stressed that Rosatom Director Kiriienko had said there was no problem with the text of the Agreement, and if there was a "technical" problem, as Ryabkov had noted, it had not been brought to the U.S.'s attention. He added that if there were such issues, he would make his experts available to resolve them.

MCC - No Return to '90's

110. (C) Emphasizing that there were no differences between what Rosatom officials were saying and what he or other Russian officials were saying, Ryabkov said Moscow had the biggest problem with the Material Consolidation and Conversion Agreement (MCC). It could hardly be imagined that the overall purpose of the MCC was for anything other than to counter risks emanating from Russian territory, Ryabkov claimed. Without having a purpose which "fits into the current political environment here," he stressed, it would be

"difficult for us to develop a text." Saying that "one could not but interpret the text as showing Russia as a source of proliferation to be guarded against," Ryabkov said Moscow did not see real sources of concern the way the U.S. did. Russia had received years of assistance and help from the U.S., and had made many changes and adaptations, not only in this area, but economically, socially, and politically. Thanks to this support, he added, Russia had managed to keep this part of its heritage safe, sound, and secure. Moscow had not seen any concrete examples that these efforts had been a failure. Therefore, to "step back with this kind of work with a legal framework inherited from the past" was problematic for Moscow. (Comment: MCC negotiations have been ongoing for the past two years between DOE and Rosatom, involving high-level participation by Rosatom Deputy Director Ivan Kamenskikh and working-level participation by MFA representatives. At no point during these negotiations did the Russian side assert that the agreement was one-sided. Moreover, during summit preparatory meetings as recently as the end of April 2009, Rosatom Deputy Directors Kamenskikh and Spasskiy indicated there were only four issues in the agreement still in need of resolution. The U.S. attempted to address these issues in the latest version of the draft agreement. End Comment). Ryabkov added that Russia saw the main concerns coming from HEU located in third countries.

¶11. (C) Turning to the text, Ryabkov said Moscow had "huge conceptual differences" and did not see how these could be bridged given the logic he had just explained. He added that the Russian side had major issues with the formulation of articles one and two, and noted he was not sure revised language would bridge the gap. He insisted that MFA had never sent a coherent signal that it was satisfied with the Agreement, but had merely sent "exploratory messages." He stressed that Moscow was not "in a rejective mood;" they saw

MOSCOW 00001611 004 OF 004

the value of the Agreement, and said they would review the issue "at a very high pace."

¶12. (C) Poneman stressed that the purpose of the MCC was a matter of mathematics and physics; it simply made more sense to have fewer sites with nuclear materials: the fewer the sites, the easier they were to protect and the lower the costs. He explained that when the U.S. addressed its own system, it was not a confession of weakness or deficiency. Both countries have vast complexes and it is simply a matter of statistics. He added that he had invited Rosatom Director Kiriienko to the U.S. to see what the DOE complex was doing in the areas of consolidation and conversion. Additionally he noted that the U.S. and Russia could work in partnership in third countries on consolidation and conversion. He welcomed Ryabkov's suggestion that the MCC be considered in the context of the broader U.S.-Russia non-proliferation relationship and the 2010 NPT Review Conference, and suggested that the U.S. put the broader context into the chapeau of the Agreement. Taking up Rybakov's theme regarding the 2010 NPT Review Conference, he stressed that the U.S. did not want to have to defend a double standard there: how can we urge other countries to consolidate and convert if we did not do so ourselves? He stressed that the U.S. was not seeking to return to an "assistance-based" approach, but to move forward in our cooperation. He offered to try to make the Agreement as symmetrical as possible and to deliver a revised text as soon as possible (Note: a revised text was provided to the MFA on June 11. End Note).

123 Agreement

¶13. (C) Poneman emphasized that the U.S. did not view the 123 Agreement as a "gift" to Russia, but as a gate to open up many new areas of civil nuclear energy cooperation, including helping us both to build a civil nuclear framework

internationally, and to expand on ideas such as the Angarsk Enrichment Center and others. He stressed that we were very close to achieving this Agreement and if we let it slip away, he did not know when or if we could get it back. And if we let it slip away, Poneman said he feared others would see it as an opportunity to do things neither the U.S. or Moscow wanted.

¶14. (C) Ryabkov agreed that achievement of a "123 Agreement" was not an end in itself, but an opportunity for additional cooperation. Moscow recognized that it was not a "gift" to Russia or an incentive to make progress in other areas. He said Moscow understood the U.S. was having difficulties with the ratification process, and noted he would welcome any specifics on this. He agreed that it would be "a huge setback" if the agreement were to be submitted for ratification and then failed.

¶15. (C) Ambassador Beyrle noted that we had talked about a reset in the relationship, but both sides needed to get back in the habit of doing productive work. He stressed that this is a period in the relationship where we could make progress, but it was unclear how long the period would last, and we needed to take maximum advantage and move forward.

¶16. (SBU) Deputy Secretary Poneman has cleared on this cable.
BEYRLE